

FISCAL IMPACT STATEMENT ON BILL NO. **S. 431**

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TO:	The Honorable Glenn McConnell, Chairman, Senate Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Harry Bell, R.J. Stein, Beth Campbell		
DATE:	March 19, 2007	SBD:	2007253

AUTHOR:	Senator McConnell	PRIMARY CODE CITE:	58-27-865
SUBJECT:	Base Load Review Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost to the Federal and/or Other Funds (See Below)

BILL SUMMARY:

Senate Bill 431 amends Chapter 33, Title 58 of the Code of Laws of South Carolina, 1976, by adding Article 4 which is called "Base Load Review". The Bill authorizes the Public Service Commission to allow construction costs to be included in an electric utility company's rates, provided that no one presents evidence that the costs were imprudently incurred. The Bill also provides for regulatory oversight of electric utility company rate change applications where new construction costs are involved. The Bill specifically excludes electric cooperatives, municipalities, the SC Public Service Authority (Santee-Cooper) and any individual who furnishes electricity to himself (and tenants) from the definition of "utility."

EXPLANATION OF IMPACT:

Office of Regulatory Staff (ORS)

Section 58-33-295 allows ORS to create additional positions for the purposes of performing its duties under this Bill based on the number of base load review applications. Two additional positions are allowed when there is one nuclear unit subject to the application process and one additional position for each subsequent nuclear unit application. ORS anticipates three applications will be submitted if the Bill is enacted. Therefore, ORS estimates employing four additional staff at \$356,250 for salary and fringe plus \$79,920 for other operating expenses. Cost would be funded with funds generated through assessments of the regulated facilities and will depend on the actual number of applications submitted.

Other Agencies

Enactment would have little or no impact on expenditures for the Public Service Commission and the Department of Revenue. In addition, the definition of "Utility" as used within this act specifically excludes the South Carolina Public Service Authority. Therefore, there would be no impact on that entity.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget